GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:359
ANSWERED ON:10.08.2017
Thermal Power Stations
Godse Shri Hemant Tukaram

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to increase the financial and logistic support for Thermal Power Stations in the country, if so, the details thereof and the decisions taken by the Government in this regard;

(b) whether the price of coal and other raw material and machineries used in Thermal Power Stations has risen steeply, if so, the details thereof and the reasons therefor; and

(c) the remedial steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (c) : A Statement is laid on the Table of the House.

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STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO.359 TO BE ANSWERED IN THE LOK SABHA ON 10.08.2017 REGARDING THERMAL POWER STATIONS.
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(a) : Following decisions have been taken by the Government to increase the financial and logistic support for Thermal Power Stations in the country:

(i) As per Mega Power Policy, the mega power projects are eligible to avail certain fiscal concessions/benefits. The projects which have been granted 'provisional' mega power status are also eligible to avail these fiscal concessions/benefits, subject to the condition that the developers of these projects fulfil the conditions stipulated in the 'provisional' mega certificates and furnish the final mega certificates to the Tax Authorities within a period of 60 months. As most of the developers have not been able to meet the above condition, Government of India has extended the above time frame from 60 months to 120 months.

(ii) For grant of regular coal linkages, Government of India has approved New Coal Allocation Policy, 2017, for Power sector, on 17.05.2017 viz. SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) under which coal is made available to Public Sector Undertakings of Central and State Government, and Independent Power Producers (IPPs) against already concluded long-term Power Purchase Agreements (PPAs) and long-term & medium-term PPAs, to be concluded in future.

(iii) The Government of India approved the proposal for allowing flexibility in utilization of domestic coal amongst power generating stations to reduce the cost of power generation.

(iv) Third Party Sampling has been started at both loading, as well as unloading end to address the problem of grade slippage.

(b) & (c) : Coal India Limited (CIL) vide notification dated 29th May, 2016, rationalised the price of all grades of non-coking coal produced by subsidiaries of CIL with effect from 30th May, 2016. The increase in price of pithead run of mine non-coking coal for power utilities for G6-G17 grades of coal is in the range of 12.6% to 18.8% whereas, the price of higher grades of coal has been reduced to the extent of 29.2%.

As per Union Budget 2016-2017, the name of 'Clean Energy Cess' levied on coal, lignite and peat was changed to 'Clean Environment Cess' and its rate was increased from Rs 200 PMT to Rs. 400 PMT.

Government of India has reduced the tax burden on coal levying the GST @5% on coal. In pre-GST regime there was Excise Duty on Coal @6%, Stowing Excise Duty @ Rs. 10/tonne, VAT @5% and CST @2% (on inter-state sale).

There is adequate domestic power equipment manufacturing capacity available in the country which has led to competitive prices and

improved equipment efficiencies.
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